

Solomon urges behavioral changes in Jewish community

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The Jewish world can have a strong recovery from the damage wrought by the worldwide recession and the Madoff fraud, but only if it figures out how to tell a story worth hearing, according to Jeffrey Solomon, president of the Andrea and Charles Bronfman Philanthropies and a former senior vice president of the New York Jewish federation.

"We cannot help the fact that between a quarter and a third of the assets were lost from the Jewish foundation world and the general foundation world," Solomon said in a conversation with *The Jerusalem Post* following a talk on philanthropy which he delivered Tuesday in Jerusalem.

The havoc wrought on Jewish communal life will likely be felt for years, Solomon believes. In the Tuesday talk, an event of the Council on Israel-Diaspora Affairs of the Jerusalem Center for Public Affairs, he noted that the Madoff fraud alone "killed 51 foundations and seriously injured 143 others. In the context of the worst recession since the Great Depression, we don't know how quickly we will recover from those losses."

Yet the recession itself was a relatively small part of the problem, Solomon continued.

"Philanthropy never drops as much as the Dow, and recovers faster. It even grows in a recession," as evidenced by continued growth in contributions to the United Jewish Appeal throughout the years of the Great Depression, he said.

Now, however, the difficult economy comes during a dramatic shift already underway in American Jewish life - "the most massive generational change in history," in Solomon's words.

"In the past, the Jewish community was affluent; Jews self-identified as Jews; Jews felt an insecurity, either from anti-Semitism at home or events abroad; there was a deep connection to Israel - the best fundraising year corrected for inflation was 1948; the Jews had a communal affiliation, giving to the community itself; and there was little competition for Jewish money because hospitals and museums preferred not to take Jewish money because they didn't want Jews involved in their institutions," he explained.

Today, he warned, "the only part that is still true is that Jews are affluent."

They no longer self-identify as Jews to the same extent, he said. "They have a [weaker] sense of insecurity at home, while Jewish communities abroad have been brought home. They are less connected to Israel; an American Jewish Committee study shows Jewish college students' connection to Israel is no higher than [that of a typical] American college student. They don't give to the community pot because they want accountability on a level they never demanded before. And there is great competition for Jewish money," with major hospitals, universities and museums taking in more donations from Jews than the Jewish community itself.

In the midst of that shift, the Madoff fraud had piled on "a trust deficit, especially in the non-profit economy which gives solely based on trust."

"Hopefully we learned the lesson that social standing doesn't trump due diligence," he said, noting that "anyone who did due diligence didn't invest in Madoff."

Israel, too, will suffer painfully in the contraction of the American Jewish philanthropic world.

Nearly all philanthropic giving to Israeli non-profits - between 88 and 92 percent, according to Solomon - "is imported," mostly from the United States. "That's a huge risk" for a sector on which tens of thousands of Israelis increasingly depend.

Israelis have a role in closing that gap, according to Solomon. "Clearly, Israeli philanthropy has not grown at the same rate as the Israeli economy during the 1990's and the early part of this decade."

"Israel stands at the turning-point. American society developed into a very generous society" because giving was "supported by the government through tax policy that respected the fact that people's lack of trust in the government and the desire to do it themselves made sense from a societal perspective. What happens to tax policy in Israel - whether it supports the development of philanthropy and a culture of giving - will decide if Israelis establish that safety net of philanthropy that will create a better society," he said.

Meanwhile, "the younger population, especially in North America, is not as connected to Israel as their parents and grandparents. It is a question whether their philanthropy will continue to reflect that commitment to Israel in the future."

Thus Israeli nonprofits are as dependent as their American counterparts on the ability of US Jewry to maintain a communal culture of giving.

In part, the financial woes of institutions - and the "trust deficit" of investment scandals - can be offset by systemic structural changes that streamline overhead in creative ways, Solomon said. He offered examples such as "a health insurance trust of Jewish organizational employees that would save us \$90 million in health insurance costs, or using buildings that are taken off the tax rolls to provide cheaper housing for Jewish organizations."

In this way, "more money and attention can go to programs and services, and people will see the greater efficiency and effectiveness in Jewish organizations."

But ultimately, Solomon believes, the Jewish organizational world must begin to invest far greater efforts in "telling our story."

"The issue becomes how we make Jewish causes compelling. How do we get people as excited about Jewish causes as they might be about a new science building at their alma mater or a new wing in a museum? We are a story-telling people. How do we tell this story?"

At the end of the day, "I'm definitely optimistic," Solomon says emphatically, "but I don't think I'm optimistic across the board. So much depends on behavioral changes in the Jewish community. All of us - funders, grantee organizations, individual donors, large central organizations - are really in control of this, and it's what we do that will decide the future."

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